lakhs due mainly to the retrenchment of expenditure in the department especially under travelling Allowances and Contingencies (·83 of a lakh) and also to the expected savings under Salaries and Establishment (·78 of a lakh) and Miscellaneous (·45 of a lakh).

Contribution to the Devaswom Fund.

6. In pursuance of the Government Press Communique issued under date the 17th April 1922, along with the Devaswom Proclamation of the same date, a sum of Rs. 16 lakhs was being paid annually to the Devaswom Fund from the year 1098. As stated in the Press Communique this amount was fixed on the basis of the average annual income derived from the landed properties of the Devaswom for the five years commencing from 987 M. E., the date of their assumption by the Government, calculated at Chs. 27 per *para* of paddy which was the average cash value prevailing at the time of the issue of the Proclamation. The price of paddy has since gone down considerably and the contribution of Rs. 16 lakhs now being paid to the Devaswom Fund is also in excess of the 40 per cent. of the State's Ayacut and Sanchayam land revenue from year to year as fixed in the Proclamation. In these circumstances, the annual contribution to the Devaswom Fund has been revised and fixed at 40 per cent. of the actual Ayacut and Sanchayam land revenue of the State from 1107 onwards instead of the fixed contribution of Rs. 16 lakhs. This accounts for the decrease of Rs. 1·58 lakhs under Contribution to the Devaswom Fund.

7. On the capital side, the receipts from the sale of the Government lands are expected to be only Rs. 1·50 lakhs against the budgeted receipt of Rs. 4 lakhs while the capital expenditure stands revised at Rs. 19·02 lakhs. In the result, a net deficit of Rs. 23·52 lakhs is expected at the close of the year, as against the anticipated deficit of Rs. 13·80 lakhs. The Government balance at the close of the year will thus stand at Rs. 117·97 lakhs.

BUDGET ESTIMATES FOR 1108.

8. I shall now pass on to the budget of the coming year. The revenue is estimated at Rs. 223·19 lakhs and an expenditure of Rs. 222·04 lakhs is provided for, thus leaving a surplus of Rs. 1·15 lakhs. Sale proceeds of Government lands are expected to bring in Rs. 2·00 lakhs and our programme of Capital Expenditure is estimated at Rs. 18·93 lakhs. We shall thus be drawing from our accumulated surplus of previous years Rs. 15·78 lakhs for our capital undertakings.

Revenue.

9. The prospect of an early restoration of normal conditions does not seem very bright and it is not therefore safe to expect any material improvement in revenue over the level of the revised estimates. The estimates under all the important heads of revenue are mainly based on the revised estimates for the current year after making due allowance for ascertained factors. The budgeted revenue for the next year is Rs. 223·19 lakhs as against the current year's revised estimate of Rs. 215·42 lakhs. The betterment of Rs. 7·77 lakhs over our expectations this year is the net result of an improvement in revenue to

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